GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3038
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Encouragement to Industry
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has taken steps to encourage industry for offering services such as IT-based security systems for protection of buildings and campuses as well as surveillance and response capabilities, computers in schools, initiating e-governance projects and LED lighting;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

(a) and (b): Government has taken several steps to encourage domestic electronics manufacturing industry for production of electronic goods, including security and surveillance systems, computers, telecom equipment and LED lighting, which are enclosed at Annexure.

The Government has regular interactions with industry regarding initiation and implementation of projects/schemes under Digital India programme. The schemes/projects under implementation have undergone extensive stakeholder consultations with Industry/Industry Bodies. The consultations with industry have been conducted for various schemes/projects like Digital Locker, Mobile as Digital Identity, e-Sign, Geographical Information System as Decision Support System (DSS), Unified Mobile Platform for e-Services delivery, etc.

(c): Does not arise.

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Annexure

Steps taken by the Government to encourage domestic electronics (including security and surveillance systems, computers, telecom equipment and LED lighting) manufacturing industry

1. Promotion of electronics hardware manufacturing is one of the pillars of Digital India Programme of the Government.
2. The differential excise duty dispensation made available to mobile handsets/ tablet computers has been extended to the Routers, Broadband modems, Set-top boxes for gaining access to internet, Digital Video Recorder (DVR) / Network Video Recorder (NVR) and CCTV Camera / IP Camera, wherein, these will be charged Excise Duty of 4% (without input tax credit) while Countervailing Duty (CVD) on imports shall be 12.5%. To enable this, parts, components, accessories and sub-parts used for the manufacture of parts, components, accessories have also been exempted from Basic Customs Duty (BCD), Excise Duty/CVD and Special Additional Duty of Customs (SAD).
2. Duty structure has been rationalised for promoting domestic manufacturing of electronic goods.
3. Policy for providing preference to domestically manufactured electronic products in Government procurement is under implementation. 9 electronic products viz., Desktop PCs, Laptop PCs, Tablet PCs, Dot Matrix Printers, Smart Cards, LED Products, Biometric Access Control/ Authentication Devices, Biometric Finger Print Sensors and Biometric Iris Sensors and 23 telecommunications products have been notified in furtherance of the policy.
4. Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the electronics hardware manufacturing. The scheme provides subsidy for investments in capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The scheme is open to receive applications till 26th July, 2020.
5. Electronics Manufacturing Clusters (EMC) Scheme provides financial assistance for creating world-class infrastructure for electronics manufacturing units. For Greenfield EMC, the financial assistance of 50% of the project cost subject to a ceiling of Rs.50 crore for 100 acres of land and for Brownfield EMC 75% of the cost of infrastructure, subject to a ceiling of Rs. 50 crore is provided as Grant.
6. Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.

7. Electronic Development Fund (EDF) policy has been approved to support Daughter Funds including Early Stage Angel Funds and Venture Funds in the area of Electronics System Design and Manufacturing, Nano-electronics and IT. The supported Daughter Funds will promote innovation, R&D, product development and within the country.
8. A meeting of State IT Ministers and State Government Officials was held to encourage them to actively promote electronics manufacturing. Several States have shown keen interest.
9. Under the Electronics Hardware Technology Park (EHTP) Scheme, approved units are allowed duty free import of goods required by them for carrying on export activities, CST reimbursement and excise duty exemption on procurement of indigenously available goods, as per the Foreign Trade Policy.
10. Mandatory compliance to safety standards has been notified for identified Electronic Products with the objective to curb import of sub-standard and unsafe electronics goods. As of now, 30 electronic products are under the ambit of this Order.
11. Two Schemes for skill development of 90,000 and 3,28,000 persons, respectively in the electronics sector has been approved to provide human resource for the industry.
12. The Scheme to enhance the number of PhDs in the Electronic System Design and Manufacturing (ESDM) and IT/IT Enabled Services (ITES) sectors has been approved. 3000 PhDs are proposed to be supported under the Scheme.
13. An Electropreneur park has been approved for providing incubation for development of Electronics System Design and Manufacturing (ESDM) sector which will contribute IP creation and Product Development in the sector.
14. National Centre of Excellence for Technology on Internal Security (NCETIS) is being set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
15. National Centre of Excellence in Flexible Electronics (NCFlexE) is being set up in IIT Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
16. Centre for Excellence on Internet of Things (IoT) is being set up in Bengaluru jointly with NASSCOM.
17. The Department of Electronics and Information Technology (DeitY) provides funding under several schemes for promotion of R&D, including support for International Patents in Electronics & IT (SIP-EIT); Multiplier Grants Scheme and Scheme for Technology Incubation and Development of Entrepreneurs (TIDE) in the area of Electronics, ICT and Management.

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